

**Internal Revenue Service  
Regional Commissioner**

*Adm. N.*  
**Department of the Treasury**

**Date:** FEB 09 1983

**Employer identification Number:**  
[REDACTED]

**Form Number:**  
1120

**Tax Years:**  
\*See below

**Key District:**  
Brooklyn

**Person to Contact:**  
[REDACTED]

**Contact Telephone Number:**  
[REDACTED]

\* [REDACTED]

**CERTIFIED MAIL**

**Gentlemen:**

This is a final adverse determination as to your exempt status under section 501(c)(3) of the Internal Revenue Code.

Our adverse determination was made for the following reason(s):

A primary activity of your organization is the promotion of harness racing and the mutual and beneficial respects among horsemen in the community which is not a Section 501(c)(3) purpose.

You have also not established that as a result of your activities at the harness racing tracks, there is no inurement to the harness racing track or the members of [REDACTED].

Contributions to your organization are not deductible under Code section 170.

You are required to file Federal income tax returns on the form indicated above. Based on the financial information you furnished, it appears that returns should be filed for the above years. You should file these returns with your key District Director, EP/EO Division, within 30 days from the date of this letter, unless a request for an extension of time is granted. Processing of income tax returns and assessment of any taxes due will not be delayed because you have filed a petition for declaratory judgment under Code section 7428. You should file returns for later tax years with the appropriate service center shown in the instructions for those returns.

If you decide to contest this determination under the declaratory judgment provisions of Code section 7428, a petition to the United States Tax Court, the United States Court of Claims, or the district court of the United States for the District of Columbia must be filed within 90 days from the date this determination was mailed to you. Contact the clerk of the appropriate court for rules for filing petitions for declaratory judgment.

(over)

P.O. Box 2954, Church St. Sta., New York, N.Y. 10008


Letter 1371(RD) (1-80)

[REDACTED] 1/19/83

We will notify the appropriate State officials of this action, as required by Code section 6104(c).

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

  
Associate Chief  
Appeals Office,

cc: 

**District  
Director**

REF ID: A66044

Date: FEB 18 1982

**Case #**

CERTIFIED MAIL

Income Tax Regulations section 1.501(c)(3)-1(b) states that an organization is not organized exclusively for one or more exempt purposes if its articles expressly empower it to carry on, otherwise than as an insubstantial part of its activities, activities which are not in furtherance of one or more exempt purposes, even though such organization is, by the terms of such articles, created for a purpose that is no broader than the purposes specified in section 501(c)(3) of the Internal Revenue Code.

Section 1.501(c)(3)-1(c) of the Income Tax Regulations states that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3). An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

On the basis of the evidence presented we hold that since a primary part of your activities is the promotion of Harness Racing and your primary purpose is to promote the mutual and beneficial respect among horsemen in the community, You are not organized and operated exclusively for charitable purposes and therefore do not qualify for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

If you do not agree with this determination, you may request a conference with the Regional Director of Appeals by protesting in accordance with the enclosed instructions within 30 days.

Protests submitted which do not contain all the documentation stated in the instructions will be returned for completion.

If we do not hear from you within that time this determination will be considered final.

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part that, "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

Sincerely yours,



District Director

Enclosure: Pub. 892